

April 9, 2019

Scott M. Stringer  
Comptroller, City of New York  
1 Centre Street, 5<sup>th</sup> Floor  
New York, NY 10007

**Re: Senior Housing**

Dear Comptroller Stringer,

We are writing to respond to your letter dated March 25, 2019 regarding the administration's commitment to building affordable senior housing.

The population of city residents who are senior citizens is projected to increase by 40 percent between now and 2040. Our seniors are more likely to be low income, to be rent-burdened, and to live on a fixed income than other city residents. The administration shares your commitment to serving this growing and vulnerable population, which is why we committed to creating or preserving 15,000 senior homes through Housing New York, and have since doubled our efforts by committing to serve 30,000 senior households over the extended 12-year Housing New York 2.0 plan. Since the start of the plan, the City has financed 7,388 affordable homes for seniors.

HPD and NYCHA's joint *Seniors First* initiative is a crucial part of this commitment. *Seniors First* is a three-pronged strategy, including: Aging in Place, an initiative to make more homes accessible to seniors and people with disabilities; developing new senior housing on NYCHA and other land; and preserving more of the senior housing originally developed through federal housing and other programs. Through *Seniors First*, the City will serve approximately 23,000 senior households over the next eight years.

Toward this goal, HPD and NYCHA recently announced plans for development of approximately 350 affordable homes for extremely-low and low-income seniors on two NYCHA sites; in Brooklyn at Bushwick II, and in the Bronx at Sotomayor Houses. These new developments will provide on-site social support, health services, and cultural programming for seniors and their communities. Current NYCHA residents will have a preference for 25 percent of the new affordable apartments.

Additionally, last year, HPD and NYCHA committed to accelerate development of 100% affordable senior housing on six public sites (four HPD sites and two NYCHA sites). We are happy to provide an update on this commitment, based on the questions in your letter:

- *Please provide the capital budget lines and Project IDs which fund this commitment.*

This \$500m commitment is not memorialized in the budget. Rather, the reported \$500m reflects an estimate of the total public resources needed to fund the City's commitment to develop these six

public site projects. This includes HPD subsidy, as well as Low Income Housing Tax Credits, other available public subsidies, and debt leveraged by the rental income from Project-Based Section 8 Vouchers (“PBV”).

Use of PBV, which serve families with incomes from 0-50% of Area Median Income (“AMI”), enables us to serve the largest component of seniors in NYC. Recent census data (ACS PUMS) indicates that two-thirds of senior renter households citywide have income levels of 50% of AMI and below, and close to half of these seniors have incomes at or below 30% of AMI. However, federal regulations require prevailing wage construction pricing on PBV projects, which significantly increases development cost. Currently, new construction affordable senior housing units cost approximately \$550,000 per dwelling unit to build and operate.

- *Please identify the specific sites that have been identified to date, and any others that may be or are being considered for this commitment.*
- *Please indicate the status of each development site: For example, have proposals been issued for development? Have contracts been entered into? Have any Certificates to Proceed (CP) been issued? If so, please indicate the date, project phase, and funding amount for each CP.*
- *How many units total do you anticipate developing on each site?*

#### **RFP Commitment for the Six Sites**

The administration’s commitment was to issue Requests for Proposals (“RFP”s) for the six sites by the end of June 2020. We are on track to meet this commitment, as shown in the chart below, which also includes the anticipated unit count for each. At this time there are no contracts or CPs associated with these sites.

Agency	Site	Location	Est. Unit Range <sup>1</sup>	Estimated RFP Issuance
NYCHA	Kingsborough/ Kingsborough Ext.	Crown Heights/Brownsville, Brooklyn	150-200	Q4 2019
NYCHA	Morris I/II	Claremont Village, Bronx	150-200	Q4 2019
HPD	Astoria DOT Lot - 31st & Broadway	Astoria, Queens	70-90	Q3 2019
HPD	516 Bergen Street & 542 Dean Street	Prospect Heights, Brooklyn	80-100	Q2 2020
HPD	Fulton Sites - A & B (Fulton Street near Howard Ave.)	Bed-Stuy, Brooklyn	80-100	Q1 2020

<sup>1</sup> Note that these figures represent current draft estimates only. RFP will be written to target to 1,000 units across the 6 sites.

HPD	97 West 169th Street	Highbridge, Bronx	50-70 units	Issued 12/21/18, responses due April 2019
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- *What is the anticipated development budget for each site?*

As the RFPs for these sites are still in development, we cannot yet provide a site-by-site development budget. Based on current projects in development we are assuming development costs of \$550,000 per dwelling unit. As we have moved through the process of preparing the RFPs for release, our unit assumptions have been fine-tuned. Our current estimate is that at least 760 units are possible on these sites; however, through the RFP process we seek to maximize units on each site to reach our goal of 1000 units.

**Public sites comprise a significant portion of HPD's affordable senior new construction portfolio and future pipeline**

Work on the RFPs for the above sites has been ongoing. At the same time, HPD and NYCHA have continued to seek opportunities to expand our pipeline for additional senior projects both on public and private land. HPD has started construction on 200-400 public-site and/or NYCHA-site units every year since FY16. We are on track to do this again in FY19. Continuing to expand this commitment requires more Project Based Section 8 vouchers, more tax credits and more City Capital funds.

PUBLIC SITE STATUS: 2014-PRESENT	PUBLIC SITES	NYCHA SITES
Total Projects Completed Construction	3	
Total Units Completed Construction	440	
Total Projects Under Construction	4	2
Total Units Under Construction	464	305
Total Projects in Pre-Development	3	4
Total Units in Pre-Development	360	698
Total Projects Pre-RFP/Pre-Award	4	2
Total Units Pre-RFP/Pre-Award	Approx 400	Approx 300
Total Senior Units on Public and NYCHA Sites	1,664	1,203
Total Senior Units on Public and NYCHA Sites Combined	2867	

**NYC New Construction Senior Housing FY11-FY21 (projected)**

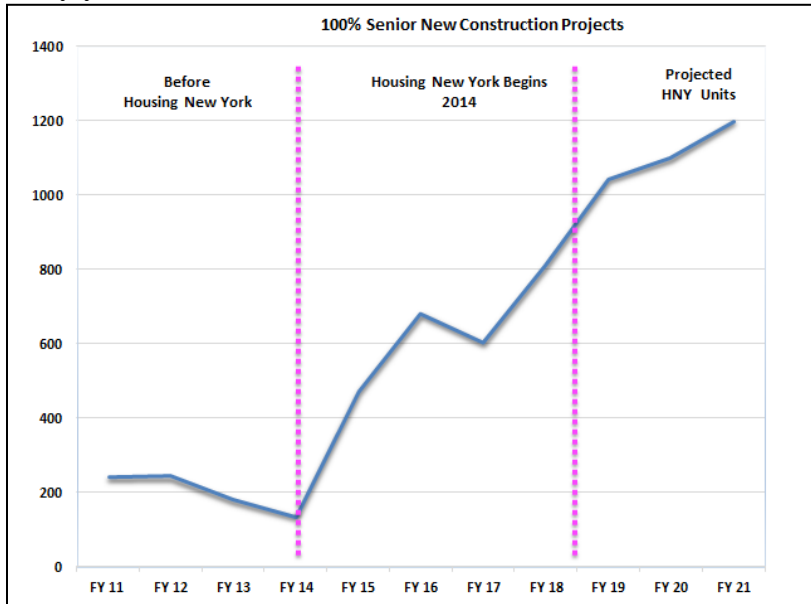
Since the roll out of Housing New York in 2014, affordable senior housing construction in New York City on both public and private sites has increased to unprecedented levels. From a low of 136 units in 2014, unit production has increased to over 800 units in FY18. Similarly, our financial commitment to senior housing has increased – from \$40m in total public resources in FY14 to more than \$425m in



Department of  
Housing Preservation  
& Development



FY18. Robust pipelines for FY20 and FY21 ensures that more senior housing units will come online every year.



Thank you for your partnership in addressing the housing needs of the city's growing senior population. We look forward to working with you as we continue our progress toward implementation of this critical commitment.

Sincerely,

Eric Enderlin  
Acting Commissioner  
NYC Department of Housing Preservation and Development

Kathryn Garcia  
Interim Chair and CEO  
New York City Housing Authority